

# Maurice Hinchey NEWS

## 26<sup>TH</sup> CONGRESSIONAL DISTRICT, NEW YORK

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### **NADLER-HINCHEY BILL WOULD PROMOTE COMMUNITY-OWNED UTILITIES**

WASHINGTON - U.S. Representative Maurice Hinchey (D-NY) today joined U.S. Representative Jerrold Nadler (D-NY) in introducing a bill that would encourage the creation of not-for-profit electric utilities that are owned by their communities. The Community Power Investment Act seeks to stimulate the formation of true public power systems, which have been shown to provide lower-cost electric rates and better service.

"What most people refer to as 'public' utilities are not public at all," said Hinchey. "They're owned by private investors. In a truly public utility, the consumer, not the stockholder, is the chief concern."

More than 2,000 communities across the country have chosen to provide for their own electricity services by creating not-for-profit utilities that are regulated at the local level and governed democratically. Currently, public power provides for the electric power needs of about 40 million Americans, or nearly 15 percent of all electricity customers. Public power has a proven track record of providing customers with lower-cost electric rates than private power companies on a national average. In 1999 residential customers of investor-owned utilities paid average rates that were 18 percent higher than those paid by customers of public power systems. The gap was nine percent for commercial users.

The Community Power Investment Act seeks to empower individual communities by removing federal obstacles that prohibit or discourage the formation of publicly owned utilities and by providing new financial incentives to encourage the development of public power systems. The bill also directs the Department of Energy to establish a revolving loan fund that provides low-interest and no-interest loans and grants to communities interested in creating public power utilities.

"Service is better and rates are lower when customers have a direct voice in utility decisions," Hinchey added. "The federal government should be encouraging the creation of these community-owned utilities so that communities can take charge of their own energy destiny."

Hinchey is an original cosponsor of the bill that was introduced today by Nadler.